

[3/19/79-Not Submitted] [CF, O/A 548]

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DF

ID 790987

THE WHITE HOUSE

WASHINGTON

DATE: 19 MAR 79

FOR ACTION: STU EIZENSTAT

JIM MCINYTRE *concur*

ALFRED KAHN

CHARLES SCHULTZE *NC*
will comment on
large package

This will be part of larger energy package

INFO ONLY: THE VICE PRESIDENT

JERRY RAFSHOON

SUBJECT: ADAMS MEMO RE ADMINISTRATION'S POLICY REGARDING OUR
ENERGY SITUATION

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM WEDNESDAY 21 MAR 79 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

File: was discussed at Camp David + is summarized in SE energy conservation memo per Tammle
Rick

FOR ACTION

FYI

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

March 16, 1979

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

A large, stylized handwritten signature of Brock Adams, written in black ink, is positioned over the 'FROM' line and extends into the 'SUBJECT' line.

SUBJECT: Administration's Policy Regarding our Energy Situation

I know that you are considering a variety of proposals to deal with a growing energy crisis and that these include de-control and other measures that mean increased gas prices. Because transportation is a major part of the problem -- and the solution -- I would like to offer some suggestions to you.

Everyone expects the price of gasoline at the pump to rise substantially during the next year. I believe that a portion of that increase should be reserved by the Government in the form of a tax and committed to preserving the mobility of the American people.

To the public, \$1.00 a gallon gasoline or rationing are symbols not answers to the problem. They will not be satisfied by an explanation of higher prices as a means of controlling demand if the ample revenues from these higher prices go to OPEC countries or the major oil companies and Government actions to provide alternatives are seen as inadequate. We need to be able to demonstrate clearly that the public will derive some benefit from inevitably higher prices and we must rally a powerful coalition of interests behind our efforts if they are to succeed.

Any discussion of energy conservation must begin with transportation, for 52 percent of our national petroleum use is devoted to transportation. At the same time, we face these hard realities in the transportation field:

Public Transportation

Our present support of public transportation investments is at a record high level, yet the perception from states and localities who are frustrated in their ability to move more rapidly are that this Administration has failed to meet their needs. An acceleration of transit funding would permit cities such as Los Angeles, Detroit, New York and Northern New Jersey to bring into operation long-planned transit projects at a time when alternatives to the auto are more necessary than ever and would permit cities across the country to expand their bus fleets.

Energy Efficient Automobile

Federal Research and Development to find revolutionary engine and fuels technology has been sporadic and unfocused, while the industry effort has been almost non-existent. Yet vast areas of the country are totally dependent on the auto and personal mobility without it would be severely affected. We need greater efforts in this area, and I am preparing specific recommendations for your review.

In addition to the auto oriented Research and Development, a more highly focused research effort to develop economic energy measures to preserve the availability of petroleum for its highest and best use could be undertaken.

Energy Transportation

In order to transport greater amounts of coal, if a sudden switch to coal were necessary, the transportation of that commodity to market requires concerted attention if it is not to become a serious problem. The condition of coal haul roads in the South and rail crossings in the West are issues that must be addressed.

The Tax

The rationale for using an oil tax for transportation projects is four-fold: (a) There is the tradition of the gas tax funding Federal and State highway programs; (b) Transportation accounts for 52 percent of our oil consumption and is therefore half of the problem; (c) There is a direct relationship between the price and supply of oil and personal mobility; and (d) Price rise in the absence of Government action would feed public suspicion over the need to take serious and real steps to preserve our mobility.

Five States (Idaho, Iowa, Michigan, Utah and West Virginia) and three cities (Houston, Miami and Chicago) have passed increased gasoline taxes and/or transit taxes in the face of the Proposition 13, anti-tax mood of the last few years. The message is clear. The public will support transportation taxes if the need and the benefits are apparent.

Along those lines, I recommend we consider the options outlined below:

<u>Proposed Tax</u>	<u>Amount of Tax per Unit</u>	<u>Number of Units (in millions)</u>	<u>Total Revenues per Year (in millions)</u>
Import Tax	\$1.75 per barrel of imported crude oil or product	2,965 barrels per year	\$5,189
Recapture Tax <u>1/</u>	\$4.50 per barrel of lower tier domestic oil priced at \$5.60 at the wellhead	1,145	5,152
Value-added Tax:			
(a) on gasoline only	\$1.90 per barrel	2,702 barrels per year	5,134
(b) on all petroleum products	\$.75 per barrel of domestic demand	6,828 barrels per year	5,121
Gasoline Tax	\$.05 per gallon at the pump	113,488 gallons per year	5,674

1/ The recapture tax would gradually decrease as lower tier domestic oil wells run dry.

The roughly \$5 billion in annual revenues generated by any one of these taxes would be devoted to mass transit, energy transportation, other transportation needs and research and development of a fuel-saving automobile. By committing the revenues to these purposes we would enlist the Congress, governors, mayors and American motorists in an effort to make this proposal a reality and we take an important step toward meeting our commitment to the IEA to reduce consumption by 5 percent.

In effect, we would tax today's motorist to finance the changes necessary to assure his future mobility. We would challenge those members of Congress, those governors, mayors and interest groups who have been campaigning for Federal aid for transit and energy transportation to support the revenue-raising measures required to fund the aid they feel is necessary.

Finally, our ability to fund transit demands falls short of local expectations; we are restrained in making long term commitments to transit projects; and at the same time we are expected to achieve a more rapid transition from the era of major highway construction. All of these factors indicate the need for new policies and new revenues to support them. It is essential that we merge these concerns in a way that makes both transportation and energy sense while reassuring the public that the government is dealing with their problems and providing for their mobility.

The overall effect of this proposal on the budget, and particularly on the deficit, cannot be calculated until a specific mix of taxes and spending is developed. However, given the fact that some portion of the tax will be used to cover activities now financed from the General Fund and the fact that new programs in the capital area will have a relatively slow spend-out of obligations, the impact on the deficit will most certainly be beneficial. It is likely that this program, if implemented at a \$5 billion level in fiscal year 1980, would reduce the deficit by at least \$3 billion.

A more detailed analysis is attached.

I am sending a copy to the Energy Coordinating Council and those on the White House staff who have been involved in our recent discussions on urban transportation financial problems.

#

Attachment

March 16, 1979

PROPOSED TAX INCREASE
FOR TRANSPORTATION AND ENERGY CONSERVATION

This analysis is intended to spell out in further detail my proposal to institute a tax on petroleum to be devoted to transportation purposes.

The Problem

As the shortage of Iranian oil renews national concern over our long term energy picture, I sense that the public is confused and frustrated, and to a degree, distrustful of our efforts to convince them that we in fact must recognize and respond to our energy situation. The West Coast glut of gasoline, the resurgence of natural gas supplies or the disappearing strategic oil reserve are perhaps understandable in economic terms, but not appreciated by those whose perception of energy problems are shaped largely by personal experience and television news.

Looking ahead, the public prospects are bleak -- higher prices, rationing, and general discomfort. To the American public, \$1.00 gasoline or ration stamps are symbols not answers to the problem. They will not be satisfied by an explanation of higher prices as a means of controlling demand, especially if the ample revenues from these higher prices go to oil company profits or foreign powers. Our agreement at the International Energy Agency meeting to reduce consumption by 3 to 5% needs to be backed up with some specific actions in the way of developing longer term solutions if we are to be taken seriously in our efforts to come to grips with our energy supply situation.

Given the predominant role of transportation -- particularly highway transportation -- as a consumer of petroleum, it is essential to give greater focus to change in this sector as a means of dealing with long-term energy problems and providing long-term alternates.

At the same time, there are related transportation problems that need greater attention -- often for reasons connected with energy. Our ability to fund transit demands falls short of local expectations; we are restrained in making long term commitments to transit projects; and at the same time we are expected to achieve more rapid change from the era of major highway construction. These factors indicate the need for new policies and the revenues to support them. It should be possible -- and desirable -- to merge these concerns in a way that makes transportation sense and energy sense while satisfying the public concern that the government is dealing with their problems effectively, by providing the means to meet energy transportation needs and maintaining our personal mobility.

Revenues Sources

In light of these transportation needs and the long-term benefits for energy conservation and/or improved transportation of energy materials, we have examined four alternative revenue sources. These range from a tax on imported crude to a tax at the pump on gasoline. They would all raise \$5 billion or more which would be broadly applied or narrowly targeted depending on the tax.

Each proposal would assist in meeting the United States' commitment made at a recent International Energy Agency meeting to respond to the Iranian supply shortfall and resulting price escalation with a five percent reduction in 1979 petroleum consumption below the forecasted level. Each would help to show our IEA partners and our OPEC suppliers that we are willing to address the long-term energy supply and demand problem as well as the short term Iranian problem.

A description of the four alternative revenue sources follows:

Import Tax

A tax could be imposed on imports of crude oil and refined products. Such a tax would tend to dampen demand for imports relative to domestic petroleum. It would be possible but difficult to tax only that portion of crude imports attributable to gasoline. Based on current import levels, this tax would apply to 43 percent of current total usage. A tax of \$1.75 per barrel (12 percent of refiner acquisition prices) on imported crude oil or refined product would result in revenues of \$5.2 billion per year.

Recapture Tax

A tax imposed on old domestic oil, in conjunction with decontrol, at the wellhead would hold in the public sector some of the differential as prices rise to the world level. This approach would not be an appropriate revenue source for funding ongoing uses over the long term since it would result in steadily decreasing revenues as the production of old domestic oil gradually phases down. This approach could be applied as a first step and then coupled with a phasing in of any of the other options. A tax of \$4.50 per barrel (80 percent of the controlled price of \$5.60 per barrel) would produce \$5.2 billion in revenues per year.

Value-Added Tax

A third approach would be to impose a value-added tax (VAT) on some or all petroleum products. The VAT could be applied to motor gasoline if the primary purpose were energy conservation in highway transportation. Alternatively, the VAT could also be applied to petroleum used in space heating and cooling, water heating, and industrial and utility uses if the purpose were to promote energy conservation in the building, industrial, and utility sectors as well as the transportation sector. A tax of \$1.90 per barrel of motor gasoline (or 7 percent of the current retail price) would produce \$5.1 billion per year.

Fuel Tax

The final option would be a tax at the pump on transportation fuels in general or on motor gasoline in particular. Gasoline fuel prices are reaching levels at which the conservation impacts of tax or price increases could be significant. It is interesting to note that actual demand during fiscal 1978 was 7,354,000 barrels per day, 4,000 barrels per day over the minimum target level which would have triggered the standby gasoline tax of 5¢ per gallon proposed in your 1977 National Energy Plan. A tax of 5¢ per gallon (7 percent of the current retail price) at current consumption levels would result in revenues of \$5.6 billion per year. This tax would not be levied on diesel fuel or on gasohol in order to continue encouragement of shifts towards these fuels as part of an overall conservation effort.

The following table indicates alternative ways of producing revenues of approximately \$5 billion per year:

<u>Proposed Tax</u>	<u>Amount Of Tax Per Unit</u>	<u>Number Of Units (In Millions)</u>	<u>Total Revenues Per Year (In Millions)</u>
Import Tax	\$1.75 per barrel of imported crude oil or product	2,965 barrels per year	\$5,189
Recapture Tax ^{1/}	\$4.50 per barrel of lower tier domestic oil priced at \$5.60 at the wellhead	1,145 barrels per year	5,152
Value-Added Tax (a) on gasoline only	\$1.90 per barrel	2,702 barrels per year	5,134
(b) on all petroleum products	\$.75 per barrel of domestic demand	6,828 barrels per year	5,121
Gasoline Tax	\$.05 per gallon at the pump	113,488 gallons per year	5,674

^{1/} The recapture tax would gradually decrease as lower tier domestic oil wells run dry.

Proposed Transportation Uses

We have considered a number of alternatives which together could claim \$7 billion in revenues. I am not recommending any particular mix at this time but want to illustrate that there are substantial legitimate needs:

- Public transportation investment: \$3.4 billion
- R&D on transportation mobility: \$500 million
- Energy Transportation: \$500 million
- Aid to States for Transportation: \$2 billion.
- Energy Research and Development: \$500 million

Public Transportation Investment

The present program structure and the constraint of available resources has focused the urban mass transportation program on short term results -- bus renewal, operating assistance, ridesharing, etc. These initiatives are paying off in ridership increases, but are limited in their effectiveness in shaping future land development and consequently transportation patterns. While our analyses suggest that major transit investments, notably rail systems, can be justified in only a limited number of areas, the present financing system is not conducive to such investments, although pressure for them will rise as gasoline costs and shortages affect the Sunbelt cities that are now so short of transit. Even a major expansion of bus resources in these cities, which may be the appropriate response, will involve very substantial expenditures. Finally, growing demand for system modernization in our older cities, spurred by the Administration's focus on urban conservation, adds to the financial pressure. Legislative changes in the 1978 Act should help, but it is still difficult to plan long term investments even within a five year cycle of financing. Development of a Transit Trust Fund would allow better planning and decision making between highways and public transportation.

Under this proposal, a new Trust Fund would be created and would generate \$3.4 billion for transit purposes each year. This sum would be available for major capital investment items, such as rail projects (new starts, extensions and modernization), bus expansion and replacement and Interstate transfer projects, thus permitting an increase of more than 40% in this activity from the present level of \$2.4 billion. The General Funds now applied to this purpose would be available for other needs.

By financing this capital related activity from a Trust Fund, it would be possible to develop a method of using contract authority on a multi-year basis to produce long term stability in project planning and construction.

It should also be noted that, by restricting the funds to capital purposes, the budgetary impact in terms of outlays and deficits will be substantially deferred. Although the rate of new project obligations could be stepped up immediately to levels approximating the revenue flow, the cash flow impact would be felt much later. All other things being equal, the short term impact should be a deficit reduction.

Research and Development

A second area which could be financed would be the research and development needed to assure transportation mobility in the climate of energy scarcity. A major emphasis here would be the development of the "new automobile" and the fuel supplies it will need. Tangible government action in this field would assure the public that their concerns over long term mobility are respected and are being addressed. In the long run, it remains the responsibility of the private sector to develop the specific product. But government can contribute through the development of technology of basic materials, of fuels, and of engineering/production techniques. Once the auto industry has completed their current effort at stabilizing their present product lines, they can apply the government's basic investment to the development of a successful commercial product.

An annual effort of \$500 million in this area, perhaps also including some research into new technology as it is applicable to mass transit development, is not out of scale with the needs nor is it unlike the amounts government now spends, largely through NASA, for carrying out of aeronautical research in support of commercial aviation.

In this case, revenues would remain within the Trust Fund until appropriated, on an annual basis, through the regular budget process. Development of administrative and organizational mechanisms to manage such an effort is the subject of separate discussions now underway.

Energy Transportation

Our ability to reduce consumption of imported petroleum depends in part on our ability to transport substitute coal and other energy commodities. The current condition of our coal haul roads and the substantial number of unseparated rail-highway grade crossings are inhibiting our ability to deliver this produce and causing serious disruptions in towns across southern and western America. An increase in our coal production to levels greatly beyond our current capabilities will require investment in improving and reconstructing coal roads and in separating our rail and highway crossings. Studies undertaken by my Department indicate that the affected States could effectively spend \$500 million per year. An earlier proposal to finance these needed improvements through a coal severance tax was opposed by the Department of Energy because it would impact on the price of coal and its competitive standing in the marketplace, but there is no room to finance the program through existing highway use taxes.

State Conservation Incentive Grants

The States would be eligible to receive up to \$2 billion of energy conservation incentive grants. In large measure, this reflects the fact that the gasoline tax is shared as a revenue source by the State and Federal levels. Moreover, the productivity of the revenue source has been affected by Federal policy, which has by necessity emphasized fuel economy. This emphasis reduces sharply the growth in State gas tax revenues at a time when their costs have risen, thus creating real problems in transportation finance at the State level.

The funds would be distributed on an incentive basis, rewarding those which are most successful in reducing gasoline consumption, industrial energy use, etc. A second element of this program could include return to the States of various transportation and energy related programs now financed at the Federal level, such as speed limit enforcement, off-system roads, etc.

Energy Research and Development

Because petroleum is the most appropriate and at present the only energy resource for transportation, to the extent that we are able to develop new energy sources for non-transportation uses, we preserve a petroleum supply for transportation. Thus a final use of new revenues would be \$500 million for the research and development of new energy sources, such as solar, nuclear, coal gasification, etc. Although this would represent only a small portion of the funds currently being expended on alternate energy sources, it recognizes that transportation is dependant on petroleum and that if we are able to reduce the oil dependence, transportation is also served.

These various proposals for programs to be financed out of the proceeds of an energy tax add to more than the targeted proceeds of \$5 billion. In refining a concrete proposal, some of these items might be eliminated or reduced in scope in order to match available resources. For example, the proposed state grant could be for a lesser amount or the Transit Trust Fund could be tailored to include only longer-term investment items, with an expanded bus program financed out of some of the General Fund savings. Other programs, such as coal roads, or energy research and development, might be financable from other resources, such as the coal severance tax previously suggested by this Department for coal road development.

Pros and Cons

The descriptions above have emphasized a number of the arguments in favor of this approach, notably that it could meet specific transportation policy goals while dealing with the energy issue in an area where the public concern is high. However, there are arguments that will be raised against this plan, and it is important to be prepared to deal with them.

Some may argue that any tax will contribute to inflation and to an extent this is true. For instance, an increase of 5¢ per gallon on gasoline, in the absence of other factors, could contribute about three-tenths of a percent to the CPI. However, Fred Kahn notes that increases in the price of fuel are inflationary only to the extent we, as a Nation, insist on consuming equivalent amounts at the higher price. OPEC has "taxed" gasoline by nearly 50¢ a gallon over recent years, without contributing substantially to reducing demand. My proposal is aimed very specifically at investments which will provide us with improved options both as to energy resources and personal mobility.

In terms of the Federal budget, the impact of our proposal will be favorable in two ways: first between \$2.0 and \$3.0 billion of the new revenues will be used to cover capital costs now paid from general revenues, thus reducing the Federal deficit by that amount. Second, total revenues, in the early years, will exceed outlays for the expanded programs we are proposing for capital investment and R&D by up to \$1.0 billion. The overall reduction of the Federal deficit would be in the range of \$3.0 to \$3.5 billion, depending on the mix of taxes and spending programs.

It could also be argued that the public will reject the plan as just another tax, to be viewed in the context of tax revolt. If presented carefully, however, the tax could be seen as embodying a specific quid-pro-quo, unlike the general taxation for which the individual perceives little return. While the tax theorists prefer the more general tax to specific excises, we may have reached the taxpayer's limits on general taxes.

A similar theoretical concern over regressivity can be applied to the gasoline tax. Opponents will argue that the tax falls more heavily on low income citizens because more of their income goes to gasoline and because their older cars are less fuel efficient. This is true in theory, but under decontrol, low income citizens will be paying \$1.00 a gallon for gas without major government action to provide alternatives to benefit them. In addition, increased transit investments and service will more than offset the regressive nature of a tax. Perhaps it might be feasible to dedicate some of the general revenue savings from this plan (which can be as much as \$1.5 to \$2.0 billion a year) to targeted programs such as welfare reform or tax credits, rather than reducing the deficit.

Another constraining argument is the policy that Federal expenditures should not exceed a stated percentage of the GNP. This is a matter of setting priorities. In a zero-based system, it is not a fixed constraint against new programs but a challenge to prove their worth relative to all existing activities.

Support and Opposition

There is never a latent coalition for a tax or increase in price. There is a massive coalition of potential beneficiaries who will receive more from this than a simple price increase by decontrol on OPEC actions. It should be particularly attractive to State and local government units and to transit authorities, although there will undoubtedly be some rivalry and concern over relative allocations and the extent to which they represent new money.

While their response will be largely predicated on the ultimate division of available funds, it seems possible that environmental support should be possible, as well as support from urban interests. Whether such a coalition is possible should be explored in the coming weeks.

There might also be some feeling that more funds should go to the traditional highway areas, either for new construction or to meet rehabilitation needs. In part, the State grants meet these concerns. In addition, we can point to the ongoing highway cost allocation study as the basis for eventual recommendations as to the program basis for meeting these needs.

DF

MITCHELL

THE WHITE HOUSE
WASHINGTON

Hald-

may be

withdrawn per

~~Joanne~~

Rh

THE WHITE HOUSE
WASHINGTON

3/19/79

Mr. President:

Martin, Weddington and Rafshoon
concur with Lipshutz.

Tim Kraft has no comment.

Stu Eizenstat, Phil Wise and Congressional Liaison recommend against a meeting. CL "questions the appropriateness of such a meeting. Most commissions were established by Senators who would view a Presidential meeting as meddling in their 'institutional prerogatives.' While we oppose a Presidential meeting, we suggest that the Attorney General call such a gathering, because his role in the selection process is clearly established, and his participation would not raise the institutional hackles of the affected Senators."

Rick

THE WHITE HOUSE

WASHINGTON

February 13, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ 
SUBJECT: Proposed Meeting with Chairmen of District
Court Judicial Nominating Commissions

On February 5 you sent out a letter to Senators stating your concern about the small number of minorities and women being recommended for federal judgeships. Before your letter, and following your letter, a number of Senators have made statements and have written to us to state that, while they would like to aid you in your pursuit of finding qualified women and minorities, they had not received names of women or minorities from merit selection panels. A number of other Senators have stated that once a commission is set up that the commission acts independently of the Senator(s). Whatever the reasons, the Senators are laying the responsibility for the lack of women and minorities on merit selection panels. We suggest that you meet with the Chairs of these panels.

You could use the meeting to make a personal appeal to each of the commission Chairs, stating your commitment to placing minorities and women on the bench. You could also suggest to them to be "creative" in their selection process; not only to look at traditional paper credentials, but also that they should consider the past history of discrimination against minorities and women in the legal profession. There should be no conflict between merit selection and finding qualified women and minorities.

You could ask the commissions to renew their efforts, as you asked the Senators in your letter to them. You could also ask the commissions that have completed their work and turned in names to Senators and/or to the Justice Department, to go back and look again.

We would notify and/or invite the Senators, as well as the Chairs of these commissions. I think it would provide an added incentive for the commissions to produce good women and minority candidates.

0646
ID 790191

THE WHITE HOUSE

WASHINGTON

DATE: 14 FEB 79

FOR ACTION: HAMILTON JORDAN

FRANK MOORE (LES FRANCIS) *Had*

LOUIS MARTIN *Concur*

PHIL WISE *attached as*

INFO ONLY: THE VICE PRESIDENT

2/22
attached
TIM KRAFT *NC*

JERRY RAFSHOON *Concur*

SARAH WEDDINGTON *Concur*

FRAN VOORDE *recommends - NO*
+ just do letter

STU EIZENSTAT

NC

will comment (Rwinkle)

exp taken 3-12

SUBJECT: LIPSHUTZ MEMO RE PROPOSED MEETING WITH CHAIRMEN OF
DISTRICT COURT JUDICIAL NOMINATING COMMISSIONS

6630

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM FRIDAY 16 FEB 79 +
+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Senate Liaison questions
the appropriateness of such a
meeting with District Court
Commission chairpersons. Most
such commissions were established
by Senators who would view
a Presidential meeting as
meddling in their "institutional
prerogatives." While we
would oppose a Presidential
meeting, we suggest
that the Attorney General
call such a gathering because
~~Institutionally, his role is~~
~~fixed and politically, he~~
his role is clearly established
and his participation ~~does~~ would
not raise the institutional
hackles of the affected Senators.

in the
selection
process

WASHINGTON

DATE: 14 FEB 79

FOR ACTION: HAMILTON JORDAN

TIM KRAFT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

LOUIS MARTIN

SARAH WEDDINGTON

PHIL WISE

FRAN VOORDE

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SUBJECT: LIPSHUTZ MEMO RE PROPOSED MEETING WITH CHAIRMEN OF
DISTRICT COURT JUDICIAL NOMINATING COMMISSIONS

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+ BY: 1200 PM FRIDAY 16 FEB 79 +
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ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*Suggest same type, strong
letter be sent to Panel
Chairs → no meeting*

fran

ID 790191

THE WHITE HOUSE

WASHINGTON

DATE: 14 FEB 79

FOR ACTION: HAMILTON JORDAN

TIM KRAFT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

LOUIS MARTIN

SARAH WEDDINGTON

PHIL WISE

FRAN VOORDE

14 FEB 1979

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SUBJECT: LIPSHUTZ MEMO RE PROPOSED MEETING WITH CHAIRMEN OF
DISTRICT COURT JUDICIAL NOMINATING COMMISSIONS

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ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. (✓) NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

WASHINGTON

DATE: 14 FEB 79

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TIM KRAFT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

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SARAH WEDDINGTON

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INFO ONLY: THE VICE PRESIDENT

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ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*It seems too late in the process
for this nty to do any good-
Ph./*

ID 790191

THE WHITE HOUSE

WASHINGTON

DATE: 14 FEB 79

FOR ACTION: HAMILTON JORDAN

TIM KRAFT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

LOUIS MARTIN

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+ BY: 1200 PM FRIDAY 16 FEB 79 +
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ACTION REQUESTED:

STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*The meeting is a very good idea.
S. Weddington*

ID 790191

THE WHITE HOUSE

WASHINGTON

DATE: 14 FEB 79

FOR ACTION: HAMILTON JORDAN

TIM KRAFT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

LOUIS MARTIN

SARAH WEDDINGTON

PHIL WISE

FRAN VOORDE

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SUBJECT: LIPSHUTZ MEMO RE PROPOSED MEETING WITH CHAIRMEN OF
DISTRICT COURT JUDICIAL NOMINATING COMMISSIONS

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM FRIDAY 16 FEB 79 +

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ACTION REQUESTED:

STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 15, 1979

TO: Bill Simon

FROM: Les Francis

SUBJECT: Comment from Dan Tate on Lipshutz Memo
on Meeting with Chairman of District Court
Judicial, etc.

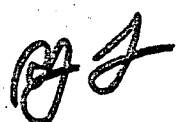
Dan Tate: Have serious reservations at this time. Would like to discuss with DOJ thoroughly. Please hold the memo.

THE WHITE HOUSE

WASHINGTON

February 13, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ 
SUBJECT: Proposed Meeting with Chairmen of District Court Judicial Nominating Commissions

On February 5 you sent out a letter to Senators stating your concern about the small number of minorities and women being recommended for federal judgeships. Before your letter, and following your letter, a number of Senators have made statements and have written to us to state that, while they would like to aid you in your pursuit of finding qualified women and minorities, they had not received names of women or minorities from merit selection panels. A number of other Senators have stated that once a commission is set up that the commission acts independently of the Senator(s). Whatever the reasons, the Senators are laying the responsibility for the lack of women and minorities on merit selection panels. We suggest that you meet with the Chairs of these panels.

You could use the meeting to make a personal appeal to each of the commission Chairs, stating your commitment to placing minorities and women on the bench. You could also suggest to them to be "creative" in their selection process; not only to look at traditional paper credentials, but also that they should consider the past history of discrimination against minorities and women in the legal profession. There should be no conflict between merit selection and finding qualified women and minorities.

You could ask the commissions to renew their efforts, as you asked the Senators in your letter to them. You could also ask the commissions that have completed their work and turned in names to Senators and/or to the Justice Department, to go back and look again.

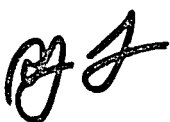
We would notify and/or invite the Senators, as well as the Chairs of these commissions. I think it would provide an added incentive for the commissions to produce good women and minority candidates.

THE WHITE HOUSE

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